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TAGS: [PGOV](#) [PREL](#) [ECON](#) [PINR](#) [RS](#)
SUBJECT: EKHO MOSKVY'S VENEDIKTOV ON SUCCESSION, KREMLIN
RIVALRY, AND HIS RADIO STATION

REF: A. MOSCOW 1434
[1](#)B. 05 MOSCOW 13441

Classified By: Minister Counselor for Political Affairs Kirk Augustine.
Reasons: 1.4 (B/D).

[1](#)1. (C) SUMMARY: In a May 4 meeting, well-connected Ekho Moskvyy head Aleksey Venediktov told us he believed the prospects for an extension of President Putin's presidency beyond 2008 had increased, because the two figures Putin was "testing" as potential successors were both gaining little political traction. Noting that infighting for personal gain was growing increasingly intense in the Kremlin, Venediktov said that Presidential Administration (PA) Deputy Head Igor Sechin, for his own business reasons, was behind the refusal to give UK businessman William Browder a visa, and that Putin was prohibiting anyone from interfering. Having told us a month and a half ago about worrisome trends for his radio station, Venediktov sounded more upbeat in our May 4 conversation. END SUMMARY.

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SUCCESSION

[1](#)2. (C) Aleksey Venediktov, chief editor of the independent Ekho Moskvyy radio station, reiterated the view he has expressed in several earlier conversations (ref A and previous) that First Deputy Prime Minister Dmitriy Medvedev remains the front runner to succeed Putin. Nonetheless, Venediktov said, Medvedev's prospects had weakened recently, given his failure so far to gain political traction. The national priority projects were not producing noticeable results, and if that continued, it would destroy Medvedev's chances. Similarly, Deputy Prime Minister and Defense Minister Sergey Ivanov was not making political gains, despite a recent counterattack against those trying to damage his reputation.

[1](#)3. (C) Under those circumstances, Venediktov continued, the Kremlin continued to cultivate a "second tier" of potential successors. In Venediktov's view, Russian Railroads CEO (and long-time Putin friend) Vladimir Yakunin remained a leading figure in that group. Head of the government apparatus Sergey Naryshkin appeared to have moved into it as well. Naryshkin lacked dynamism and had not proven effective, Venediktov acknowledged, but those factors were less important to Putin than personal loyalty, and Naryshkin was seen as a trustworthy and loyal figure. Venediktov added that Putin had been meeting Naryshkin with growing frequency lately, typically twice a week.

[1](#)4. (C) Putin still aimed to step down at the end of his second term in 2008, Venediktov believed, but the current situation had increased the chances that Putin might still decide to seek an extension of his presidency. Were he to do so, Putin might make concessions to the West -- perhaps on

Iran -- in hopes that Western governments would be more inclined to accept such an extension, Venediktov believed.

KREMLIN GREED UNCHECKED

15. (C) Meanwhile, key Kremlin players were focusing with increasing intensity on "feathering their own nests," Venediktov said. Reiterating that he believed Putin aimed to take a lucrative job in the energy sector should he step down, Venediktov noted that Putin was in no way trying to discourage his inner circle's financial dealings. Insiders were more interested in their own profits than in policy considerations, Venediktov argued. Though PA Deputy Head Sechin and PA Aide Viktor Ivanov might share similar political orientations, for instance, their relationship was cool because each was focused on personal gain and their financial interests did not always correspond.

16. (C) Venediktov cited the GOR's refusal to grant a visa to Hermitage Capital Management CEO William Browder as an example of the Kremlin mood. Sechin was behind that move because Browder had, in effect, challenged Sechin's activities with regard to Surgutneftegaz. Venediktov recounted realizing that Putin intended in no way to halt such counterproductive behavior based on a conversation with G-8 Sherpa Igor Shuvalov about the Browder case. Venediktov recounted arguing that Shuvalov should try to intervene on Browder's behalf, since the matter would directly affect the atmosphere at the G-8 Summit, where Tony Blair would be sure to raise it with Putin. As recounted by Venediktov, Shuvalov responded by silently expressing his frustration and saying that Putin had told him "to mind his own business" with regard to the Browder issue.

PROSPECTS FOR EKHO MOSKVY

17. (C) In a late-March conversation, Venediktov had told us that for the first time, he was seeing troubling signs about Ekho Moskvyy's future. Venediktov identified three disturbing sets of developments:

-- Ekho had long maintained ownership of Radio Arsenal, which, although having a far weaker radio frequency, had offered a "life boat" in case Ekho itself was suddenly shut down. While Arsenal did not offer a strong back-up, it gave the staff a sense of confidence. In our March conversation, Venediktov said Ekho was now selling off Arsenal, creating a greater sense of vulnerability.

-- According to Venediktov, the Kremlin had previously enforced an informal "no-poaching" policy on Ekho's staff. As of late March, Venediktov said he had begun detecting efforts to entice staffers away from Ekho to other stations. This, combined with the establishment of an alternative talk-radio station under GazpromMedia's ownership (and thus by implication with GOR encouragement) might constitute the first concrete signs that the Kremlin was aiming to weaken Ekho with the ultimate aim of lessening the station's influence ahead of the 2007-08 national election cycle.

-- Venediktov said that in March, the Federal Security Service (FSB) had for the first time begun examining Ekho's financial records, notably its tax documents. The FSB was far from launching a formal investigation, Venediktov continued, but its actions were worrisome.

18. (C) In our May 4 conversation, Venediktov was more upbeat. Ekho continued to do well financially, he reported, and having ownership of its staff's shares registered in Delaware (ref B) helped protect it from legal attack by the Kremlin. While there had been some attempts to entice his staffers to move to other stations, they were not proving significant. Most notably, figures close to the Kremlin continued to give interviews on Ekho, Venediktov said, noting that Russian Railroads chief Yakunin had agreed to do so within the next

few weeks. The Kremlin seemed reluctant to close down Ekho in part out of fear of an international outcry, Venediktov said. Hence, he concluded, barring a total breakdown in U.S.-Russian relations, his station would continue to thrive.

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COMMENT

19. (C) Though Kremlin insiders likely view Venediktov with suspicion, he apparently continues to enjoy access to them, making him a valuable interlocutor for us. He has long seen those Kremlin insiders as acting primarily for personal financial gain, but his suggestion that Shuvalov is exasperated by such behavior may imply a broader discontent among those on the margins of Putin's immediate circle. Venediktov has been telling us for some time that he sees Medvedev as the front-runner to succeed Putin. In that light, we are struck by his comment about Medvedev's failure to gain political traction and the possible implications for the succession. He has in the past speculated to us that Ekho remains strong in part because Medvedev may regard it as an instrument in his presidential bid. If so, Venediktov may see Medvedev's lack of political success as boding ill for Ekho Moskvyy. Suggesting that Naryshkin is emerging as a member of the second tier of potential successors remains a minority view, although we have occasionally heard comments from others to that effect. Venediktov is more upbeat now than he was two months ago about his station's prospects, although the disturbing trends he mentioned in our previous conversation deserve continued close attention. The station continues to thrive, however, and remains among the most important independent voices on Russia's media scene.
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